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U. S. Department of Agriculture

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AGRICULTURAL SITUATION REVIEW

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ANNOUNCEMENT: At this time on the first Monday of each month we give our audience and farmers of this region a special radio review of that important monthly report of the United States Department of Agriculture -- THE AGRICULTURAL SITUATION. The November SITUATION is of especial interest, carrying as it does the news of probable out-turns of field crops on the six million farms of the country. It contains also summaries of the situation of stockmen as we enter the new month.

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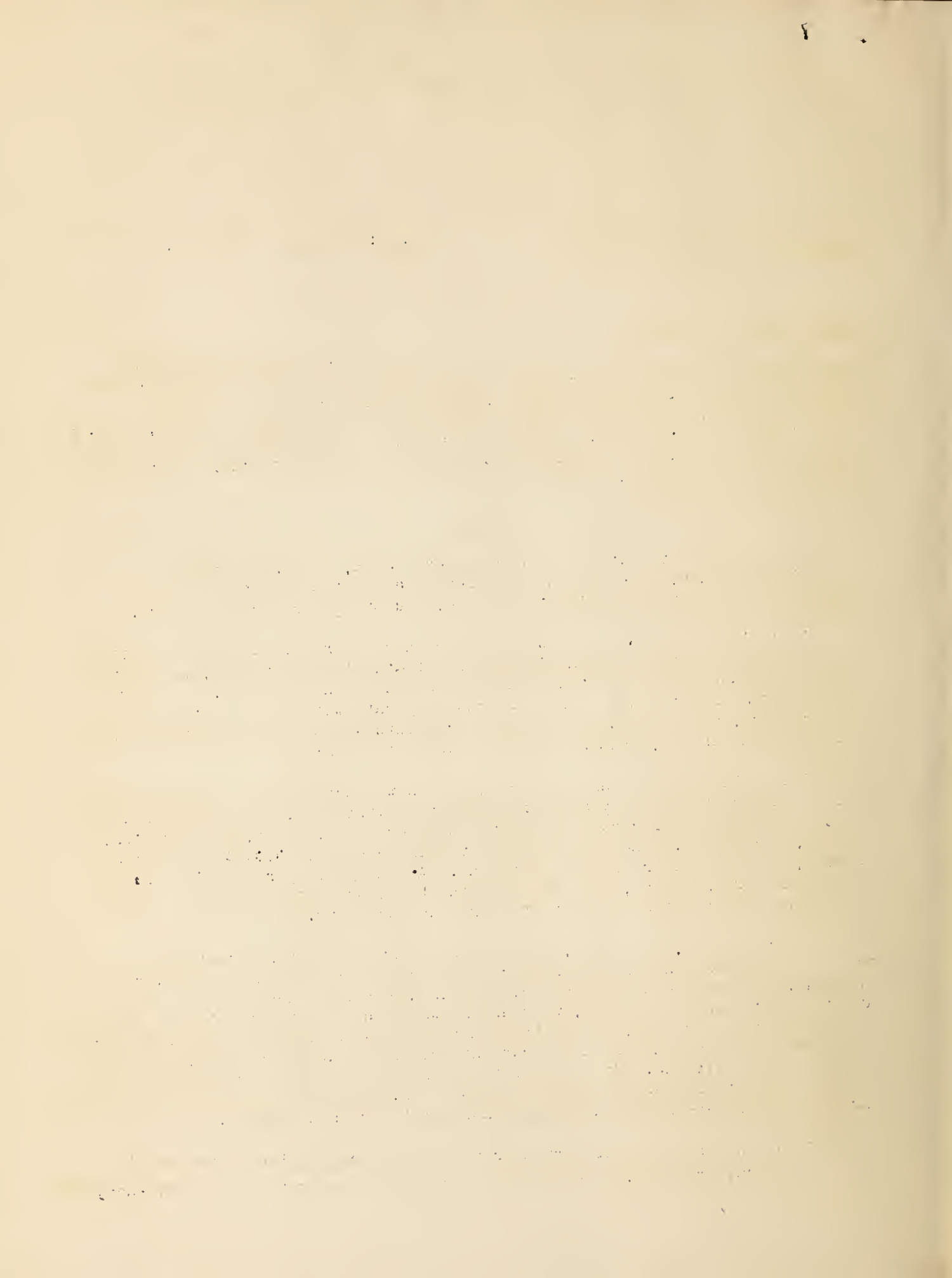
Starting into the late fall and winter season, farmers have an opportunity to pause, take a good long breath, and get a general view of production in the season drawing to a close, and prospects for the future.

We don't know of a better way to take this general view than to quote the opening statement of "The Agricultural Situation" for November, which has just been released by the United States Department of Agriculture. Summing up the reports of thousands of farmers who cooperate with the Department of Agriculture, and the conclusions of specialists who put together the facts coming in from farmers, this statement reads as follows:

"The principal food and feed crops are now practically all under cover and it is apparent that they are more ample than last year. The hay crop is not up to last year's record crop but we have more corn, wheat, oats, cotton, potatoes, and apples. The country is harvesting about 8,000,000 acres, or 2 per cent, more of all crops than last year. As the yield per acre is also slightly higher this year, it means that the total production of all crops combined will be about 5 per cent greater than last year.

"By this time, of course, the new crops have begun a substantial market movement and in most cases prices reflect the change in supply over last year. Hay of the alfalfa and clover mixture classes has been selling rather better than last season, whereas the wheat and potato markets have been unsatisfactory to growers, to say the least. The leading corn and oats regions have found some consolation in the current prices of cattle and hogs, which make feeding profitable. Students of the corn situation see a rather striking similarity this year with the season of 1925. The supply of corn is like that year and we are now in a similar phase of the corn-hog cycle.

"There has been a considerable revival of stock-feeding operations in the central grain regions. The early movement of feeder cattle was very heavy



during the three months, July to September, nearly a half more cattle than last year moved into the Corn Belt through public stockyards and feeders paid over a third more for them. Likewise, during those same three months, shipments of feeder lambs into the Corn Belt, through public markets, were 17 per cent larger than last year and exceeded any other like period except in 1926. All of which reflects the fact that feed is ample and feeding considered profitable.

"The number of laying hens and pullets on farms is 4 per cent smaller than last fall, according to an estimate as of October 1. The number of young chickens was 10 per cent less than last fall. The decrease was greatest in the South. The total number of eggs laid by farm flocks has run about 3 per cent less than last year. However, there are still somewhat more fowls and more eggs than there were in either 1926 or 1925.

"The turkey crop, on the other hand, is slightly larger than last year, particularly in the West where a good share of the holiday turkeys come from.

"On the whole, it must be said that production has been well maintained this year and if prices are low on certain crops, they are better on certain livestock products. The general index of the suit purchasing power of farm products, in terms of things that farmers buy, stands at 90 per cent of the pre-war parity."

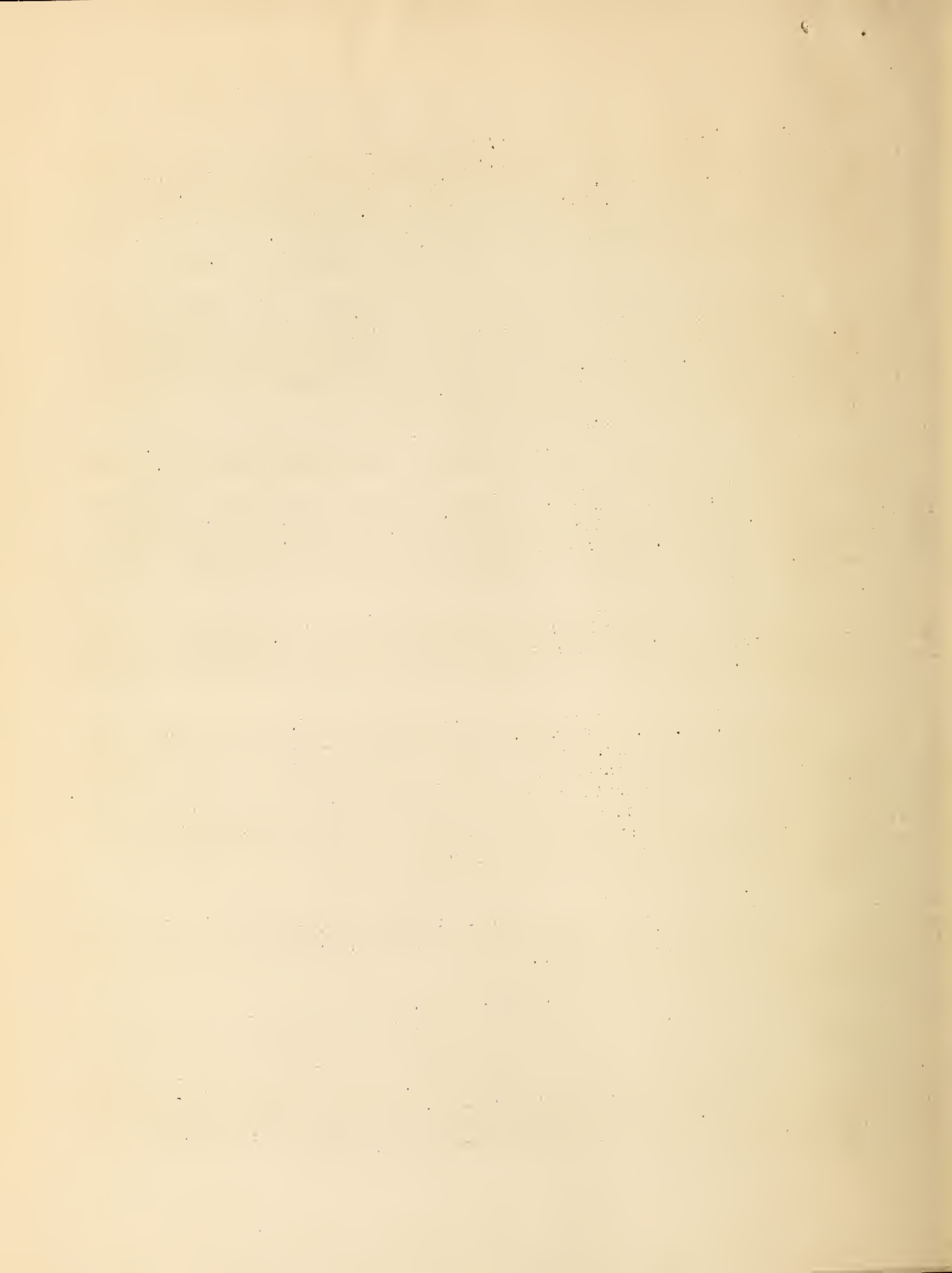
Perhaps a few figures on the estimated yields of the different staple crops will help to round out the picture of the general farming scene in this vast country of ours, so let's run down the list as made up by the Crop Reporting Board in October.

Take corn first: On October 1, indications were that this year's corn crop would amount to 2,903,000,000 bushels. This is 5 per cent above the 1927 crop. Three-fourths of this year's crop is concentrated in the twelve North Central States. The Corn Belt States east of the Mississippi, which had a bad year for corn in 1927, are harvesting a crop one-third larger than last year's. In the western Corn Belt production is a little larger than last year. It is higher in the North Atlantic States and nearly a fifth lower in the South Atlantic and a sixth lower in the South Central States.

Now for wheat. The total production this year is estimated at 903,865,000 bushels. That's more than thirty million bushels increase over the 1927 crop. Spring wheat is estimated at about three million bushels less than 1927, so the increase comes in Durum and winter wheats.

Oats production sprang upward this year. It is estimated at 1,452,966,000 bushels. That is nearly 270,000,000 bushels more than the 1927 production.

Estimated tobacco yields fell off heavily from the forecast of a month ago, but they still will be well above 1927 production. Storms during September caused heavy declines in Virginia and North Carolina. The wet season cut New England yields in quality. Rust and wild-fire damaged the Pennsylvania crop. Kentucky and Tennessee appear to have a larger production.





11/5/28

This is a bumper potato year. The average for the country as a whole probably will be more than 120 bushels per acre. The total crop is estimated at 463-odd million bushels. Crops were especially heavy in some of the Corn Belt States and the only important potato producing sections where yields were rather light were in Maine and some of the Western States.

The apple crop looks to be nearly one-third larger than last year's extremely scanty one, but it is still far below the big crop of 1926.

Dairymen are facing a slightly weaker market. Two influences it seems caused the September and October slump in the confidence and activity which ruled in the dairy markets all through the year up to September. These are generally increased production, compared to a year ago, and somewhat smaller movement of dairy products to consumers' tables. Here's the way the specialists sum up regarding unmanufactured dairy products.

"Increased production has not met with increased demand, and price reactions are inevitable under these conditions. Of course, the deal is not yet over, and future developments, such as unfavorable production conditions, and improved demand, may make it possible to work reserve stocks out at profitable prices. At present there is considerable doubt."

Of course, cattle feeders everywhere are intensely interested in knowing how heavy the feeding operations are going to be this year. It is too early to tell as yet, say the specialists. Reports that have come in so far, however, do not point to much increase in feeding in the Corn Belt and they do point to a decrease in the Western feeding sections. As we have already said, the early movement of feeder cattle was unusually heavy but it is believed that this movement will not keep up at the pace it set at the start.

We ought to say just one more word about the corn situation-- a word dealing with the price prospects. We have already reported the outlook for a big production.

Those who study the corn markets say that the situation this year is much like that of 1925, but after looking over all the ground they believe that perhaps the level of prices of corn this year will be a little bit higher than it was in 1925, and that the usual seasonal decline in corn prices will not come until later on.

"Nevertheless," says one of them, "in view of the general situation, it may be well to observe that years of large corn crops were not usually profitable years for the man who sells corn -- unless he sells early before cash prices drop or very late after they have risen."

Now just a look at the vegetable situation. Whether you are interested in potatoes as a producer or a consumer you know that prices are far below the price of production. However, the economists point to some signs which carry hope for improvement. The production of sweet potatoes is moderate. Apparently some lines of canned vegetables are short. Prices of cabbage, onions, and carrots are high. The country is not going to quit eating and





11/5/28

potatoes are a staple on the bill-of-fare, so if prices of other foodstuffs remain high there may be a heavier demand for potatoes.

The onion crop is short -- apparently only about two-thirds that of last season. The shortage seems to be mainly in the East.

Cabbage prices in general have been double those of a year ago. This is laid chiefly to a light crop in New York State, which is the chief winter shipping section. The mid-Western states have been getting lower prices than the Eastern growers for their cabbage because of the handicap of a high freight cost on bulky products of this sort.

Now, while Northern growers are taking stock of the past season and planning for the next, the Southern truck men are planting their fields. First reports indicate that Southern plantings will be heavy and altogether there is an indication of an active winter trucking season in the South.

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ANNOUNCEMENT: On the first Monday of December another of this series of monthly reviews of the agricultural situation, summarized in radio version from the printed report of the United States Department of Agriculture, will be sent to you.

